

FINDING OF EMERGENCY

These regulations are being implemented on an emergency basis for the immediate preservation of the public peace, health and safety, or general welfare, within the meaning of Government Code Section 11346.1.

DESCRIPTION OF SPECIFIC FACTS WHICH CONSTITUTE THE EMERGENCY

1. The passage of Senate Bill (SB) 1264, Chapter 439, Statutes of 2002, made changes to Welfare and Institutions Code Section 11157 by exempting from consideration as income, in the California Work Opportunity and Responsibility to Kids (CalWORKs) program, any awards or scholarships provided by a public or private entity to, or on behalf of, a dependent child based on the child's academic or extracurricular achievement or participation in a scholastic, educational, or extracurricular competition. SB 1264 also amended Welfare and Institutions Code Section 11320.3 by providing an exemption from CalWORKs welfare-to-work requirements to 16 and 17 year olds who have obtained a high school diploma or its equivalent, and are enrolled or are planning to enroll in a post-secondary education, vocational, or technical school training program.
2. These exemptions are beneficial to CalWORKs recipient children and their families. In exempting awards/scholarships earned or won by a CalWORKs dependent child, these regulations will ensure that such monetary awards will not be counted as income against the family's CalWORKs grant. Currently, these awards are considered unearned income, not subject to earned income disregards, and reduce the grant on a dollar for dollar basis, which likely removes or significantly reduces any incentive for the child to pursue such achievement awards. In exempting 16 and 17 year old high school graduates, who are enrolled or intend to enroll in post-secondary education or training, from CalWORKs welfare-to-work requirements, these regulations will allow these children to pursue their education and training without being subject to the work requirements imposed on adult recipients. Currently, 16 and 17 year-old CalWORKs recipients, who have completed high school, must meet welfare-to-work requirements. This change should also provide additional incentives for these high school graduates to pursue post-secondary education and training that could assist them in obtaining skills for higher paying jobs and not continue to be dependent on cash assistance as they become adults.
3. These regulations ensure that the exemptions described above will be available to eligible children. Without adopting these provisions as emergency regulations, CalWORKs families will be denied essential benefits, to which they are entitled, in a timely manner. The non-emergency rulemaking process set forth in the Administrative Procedure Act is sufficiently lengthy that it is not possible to implement regulation changes on an immediate basis as necessary to protect the health and safety of applicants and recipients of the CalWORKs program.
4. Therefore, in order to provide: 1) necessary and beneficial exemptions from consideration as income of certain awards and scholarships to CalWORKs dependent children; and 2)

necessary and beneficial exemptions from CalWORKs welfare-to-work requirements for 16 and 17 year old high school graduates, who are enrolled or intend to enroll in post-secondary education, vocational, or technical school training, these regulations are adopted on an emergency basis to be effective upon filing with the Secretary of State.

INFORMATIVE DIGEST

Senate Bill (SB) 1264, Chapter 439, Statutes of 2002 amended Section 11157 of the Welfare and Institutions Code to exempt from consideration as income, for purposes of the California Work Opportunity and Responsibility to Kids (CalWORKs) program, any awards or scholarships provided by a public or private entity to, or on behalf of, a dependent child based on the child's academic or extracurricular achievement or participation in a scholastic, educational or extracurricular competition.

This bill also amended Section 11320.3 of the Welfare and Institutions Code, to expand the exemptions from the CalWORKs welfare-to-work requirements to include a person who is 16 or 17 years of age, has obtained a high school diploma or its equivalent, and is enrolled or is planning to enroll in a postsecondary education, vocational, or technical school training program. The bill also established a time period by which verification of enrollment must be provided to, or obtained by the county.

To implement the above cited statute, these regulations require that any awards or scholarships provided by a public or private entity to, or on behalf of, a dependent child based on the child's academic or extracurricular achievement or participation in a scholastic, educational, or extracurricular competition be exempt from consideration as income for CalWORKs program purposes.

These regulations also allow 16 and 17-year old teens who have graduated from high school, or its equivalent, and who have enrolled or are planning to enroll in postsecondary education, vocational, or technical school to be exempt from welfare-to-work participation requirements. They define what "planning to enroll" means and sets a limit to when either verification of enrollment must be provided or the exemption is discontinued.

COST ESTIMATE

1. Costs or Savings to State Agencies: Costs of \$10,000 for Fiscal Year 2003/04 and \$21,000 for Fiscal Year 2004/05.
2. Costs to Local Agencies or School Districts: Costs of \$2,000 for Fiscal Year 2003/04 and \$5,000 for Fiscal Year 2004/05.
3. Nondiscretionary Costs or Savings to Local Agencies: None.
4. Federal Funding to State Agencies: Costs of \$82,000 for Fiscal Year 2003/04 and \$164,000 for Fiscal Year 2004/05.

LOCAL MANDATE STATEMENT

These regulations do impose a mandate upon local agencies, but not upon school districts. The mandate does not require reimbursement pursuant to part 7 (commencing with Section 17500) of

Division 4 of the California Constitution because implementation of the regulations will, if anything, result in only negligible costs.

AUTHORITY AND REFERENCE CITATIONS

CDSS adopts these regulations under the authority granted in Sections 10553 and 10554, Welfare and Institutions Code. Subject regulations implement and make specific Sections 11157 and 11320.3 (Ch. 439, Stats of 2002), Welfare and Institutions Code.